

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 SP-02 ICA-20 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00
COME-00 FRB-01 INR-10 NSAE-00 XMB-04 OPIC-06
LAB-04 SIL-01 L-03 H-02 PA-02 /110 W
-----001946 291010Z /12

R 290919Z AUG 78
FM AMEMBASSY TAIPEI
TO SECSTATE WASHDC 8768
INFO AMCONSUL HONG KONG
AMEMBASSY MANILA
USLO PEKING
AMEMBASSY SEOUL
AMEMBASSY TOKYO

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E.O. 11652: N/A
TAGS: ECON, TW
SUBJ: KEY ECONOMIC INDICATORS FOR JULY, 1978

REF: TAIPEI 5169

1. KEY ROC ECONOMIC INDICATORS FOR JULY: ALL FIGURES IN
U.S. DOLLAR MILLIONS AND ROUNDED. FIGURES REVISED SINCE
PREVIOUS REPORT WITH RIGHT-SIDE PARENTHESIS:

JULY	JUNE	JULY	PERCEN	PERCEN	JAN-JUL	JAN-JUL	PERCEN
78	78	77	A/B-1	A/C-1	78	77	F/G-1
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)

MONEY SUPPLY:
5,436 5,625) 4,101 -3.36 32.56

NET FOREIGN ASSETS OF BANKING SYSTEM:
4,709 4,463 2,920 5.51 61.27

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IMPORTS ON CUSTOMS BASIS:
990.6 916.4) 755.4 8.10 31.14 5,915.7 4,798.3 23.29

EXPORTS ON CUSTOMS BASIS:
1,145.4 1,051.3) 880.0 8.95 30.16 6,732.5 5,055.9 33.16

TRADE BALANCE ON CUSTOMS BASIS:

154.8 134.9 124.6 816.8 257.6

IMPORTS ON FOREIGN EXCHANGE SETTLEMENT BASIS:

885.9 956.5 744.3 -7.38 19.02 5,871.9 4,662.7 25.93

EXPORTS ON FOREIGN EXCHANGE SETTLEMENT BASIS:

1,271.3 1,142.6 881.8 11.26 44.17 7,118.4 5,564.5 27.97

TRADE BALANCE ON FOREIGN EXCHANGE SETTLEMENT BASIS:

385.4 184.1 137.5 1,246.5 899.8

IMPORTS FROM U.S. (CUSTOMS):

191.2 209.1) 188.2 -8.56 1.59 1,299.6 1,176.8 10.44

EXPORTS TO U.S. (CUSTOMS):

478.5 423.0) 340.6 13.12 40.49 2,764.8 1,931.3 43.16

TRADE BALANCE WITH U.S. (CUSTOMS):

287.3 213.9 152.4 1,465.2 754.5

NOTE: DOLLAR EQUIVALENT VALUES OF NET FOREIGN ASSETS FOR

JULY, 1978, CALCULATED AT U.S. DOLS 1 EQUALS N.T. DOLS 36.

DOLLAR EQUIVALENTS FOR JUNE, 1978 AND JULY, 1977

CALCULATED AT U.S. DOLS 1 EQUALS N.T. DOLS 38.

JULY JUNE JULY PERCENT PERCENT JAN-JUL JAN-JUL PERCENT

78 78 77 A/B-1 A/C-1 78 77 F/G-1

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(A) (B) (C) (D) (E) (F) (G) (H)

INDUSTRIAL PRODUCTION INDEX (1971 EQUALS 100):

274.8 266.5) 201.9 3.11 36.11 250.3 203.0 23.30

WHOLESALE PRICES INDEX (1976 EQUALS 100):

106.02 106.01 103.37 0.01 2.56 104.81 102.68 2.07

URBAN CONSUMER PRICES (1976 EQUALS 100):

111.99 112.30 108.05 -0.28 3.65 111.37 104.91 6.16

FOREIGN INVESTMENT APPROVALS:

11.91 10.84 9.18 9.96 29.82 84.43 49.20 71.61

U.S. INVESTMENT APPROVALS:

2.69 3.91 5.93 -31.13 -54.56 25.24 14.29 76.65

2. KEY PRODUCTION FIGURES FOR JULY, 1978.

POWER GENERATION (MILLION KWH):

3,343 3,031 2,672 10.29 25.11 19,128 16,801 13.85

COTTON YARN (1,000 BALES):

159.9 157.3) 163.2 1.65 -2.02 1,080.2 1,075.6 0.43

MAN-MADE FIBERS (MT):

44,619 43,570) 35,253 2.41 26.57 297,038 240,340 23.59

PLASTIC RESINS (MT):

34,189 32,075) 22,778 6.59 50.10 232,012 160,888 44.21

BASIC PETROCHEMICAL FEED STOCKS (MT):

69,749 63,641 48,094 9.60 45.03 486,151 365,815 32.90

CHEMICAL FERTILIZERS (1,000 MT):

106.8 109.5) 85.1 -2.47 25.50 796.4 791.0 0.68

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CEMENT (1,000 MT):

991.4 913.6) 748.6 8.52 32.43 6,452.9 5,642.0 14.37

JULY JUNE JULY PERCENT PERCENT JAN-JUL JAN-JUL PERCENT

78 78 77 A/B-1 A/C-1 78 77 F/G-1

(A) (B) (C) (D) (E) (F) (G) (H)

STEEL BARS AND STRUCTURALS (1,000 MT):

216.0 225.3) 98.8 -4.13 118.62 1,418.1 785.2 80.60

AUTO TIRES (1,000 PCS):

104 98) 98 6.12 6.12 738 583 26.59

CRUDE OIL REFINED (1,000 KL):

1,573.9 1,484.1 1,228.6 6.05 28.11 10,033.1 8,993.1 11.56

TELEVISION (1,000 UNIT):

707.7 663.8) 407.1 6.61 73.84 4,178.5 2,484.1 68.21

3. ECONOMIC TRENDS IN THE REPUBLIC OF CHINA, JULY, 1978.

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1. THE INDUSTRIAL PRODUCTION INDEX FOR THE FIRST SEVEN MONTHS OF 1978 INCREASED BY 23.3 PERCENT, COMPARED WITH AN INCREASE OF 11.1 PERCENT FOR THE CORRESPONDING PERIOD LAST YEAR. THE MANUFACTURING SECTOR, SPURRED BY BOOMING TRADE, SHOWED THE HIGHEST GROWTH RATE (25.5 PERCENT), WHILE THE CONSTRUCTION (18.2 PERCENT), PUBLIC UTILITIES (14.7 PERCENT) AND MINING (1.7 PERCENT) SECTORS ALSO REGISTERED INCREASES IN COMPARISON WITH THE SAME PERIOD LAST YEAR. STRONG DEMAND FROM FOREIGN MARKETS, PARTICULARLY IN THE UNITED STATES, CONTRIBUTED TO THE SHARP RISE IN OUTPUT OF CALCULATORS (126.2 PERCENT) AND TELEVISION SETS (68.2 PERCENT). BRISK DOMESTIC SALES CAUSED A SUBSTANTIAL INCREASE (102.9 PERCENT) IN THE MANUFACTURE OF AUTOMOBILES. PRODUCTION RESINS (UP 44.2 PERCENT), CHLOROVINYL MONOMER (UP 32.1 PERCENT) AND MAN-MADE FIBERS (UP 23.8 PERCENT) INCREASED SUBSTANTIALLY, REFLECTING THE STARTING UP OF NEW DOMESTIC HEAVY INDUSTRY PRODUCTION FACILITIES LATE LAST YEAR. THE HEAVY MANUFACTURING SUBSECTOR GREW BY 40 PERCENT IN THE FIRST SEVEN MONTHS THIS YEAR, WHILE LIGHT MANUFACTURING INCREASED BY 15 PERCENT.

2. EXPORTS IN JULY CONTINUED AT A HIGH LEVEL (US DOLS 1.15 BILLION), WHILE IMPORTS WERE A RECORD US DOLS 990.6 MILLION. FOR JANUARY-JULY OF THIS YEAR, EXPORT SALES INCREASED BY 33 PERCENT TO US DOLS 6.7 BILLION, AND IMPORTS ROSE 23 PERCENT TO US DOLS 5.9 BILLION, LEAVING A TRADE SURPLUS OF US DOLS 816 MILLION, MORE THAN THREE TIMES THE SURPLUS IN THE SAME PERIOD LAST YEAR. AS A RESULT, NET FOREIGN ASSETS CONTINUED TO BUILD UP, AND THE MONEY SUPPLY HAS EXPANDED AT AN ANNUAL RATE IN EXCESS OF 30 PERCENT. ALTHOUGH PRICE INCREASES HAVE BEEN MODERATE, DUE IN PART TO GOVERNMENT CONTROL OF PRICES IN

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KEY AREAS (E.S. PUBLIC UTILITIES, TRANSPORTATION, AND PETROLEUM PRODUCTS) CONCERN OVER INFLATIONARY PRESSURES LED THE GOVERNMENT TO REVALUE ITS CURRENCY FROM US DOLS 1 EQUALS NT DOLS 38 TO U S DOLS 1 EQUALS NT DOLS 36 ON JULY 11. A US DOLLAR FORWARD MARKET WAS ESTABLISHED ON AUGUST 11 TO ALLOW TRADERS TO PROTECT THEMSELVES AGAINST FUTURE ADJUSTMENTS IN THE EXCHANGE RATE. THE MARKET, OPERATED BY LOCAL AND FOREIGN BRANCH BANKS UNDER THE CONTROL OF THE CENTRAL BANK OF CHINA, IS OFF TO A SLOW START, AS MANY TRADERS AND BANKERS ARE NOT YET FAMILIAR WITH ITS PURPOSE AND ITS MEANS OF OPERATION. UNGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC DATA, ECONOMIC TRENDS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TAIPEI05796
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780352-0478
Format: TEL
From: TAIPEI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780811/aaaaajct.tel
Line Count: 241
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d7a81759-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 TAIPEI 5169
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1569201
Secure: OPEN
Status: NATIVE
Subject: KEY ECONOMIC INDICATORS FOR JULY, 1978
TAGS: ECON, TW
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/d7a81759-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014